

SF2082 – Senate Omnibus Transportation Budget bill

Senate Budget Target for Transportation:

FY25-27: (\$227M) FY28-29: (\$132.382M)

Cuts from previous/base funding (General Fund)

Cancels:

- 1) \$194,536,000 of appropriation for Northern Lights Express
- 2) \$ 3,130,000 of appropriation for rail corridor service analysis in St. Cloud

Delays to FY28:

- 1) \$10,000,000 Amtrak service to Chicago
- 2) \$ 1,833,000 Amtrak federal match
- 3) \$16,360,000 RR property tax transfer to passenger rail

Delays to FY27:

- 1) \$600,000 Highways for Habitat

Delays to FY26:

- 1) \$500,000 for I-94 land bridge planning

Reduces GF appropriation for Metropolitan Council Transit operations:

- 1) \$32,454,000 FY26-27
- 2) \$32,454,000 FY28-29

Reduces DPS agency funding:

- 1) \$1,120,000 FY26-27
- 2) \$1,120,000 FY28-29

Reduces DPS Advisory Council on Traffic Safety:

- 1) \$1,000,000 FY26-27
- 2) \$1,000,000 FY28-29

Reduces DPS Drug Recognition Evaluator Training

- 1) \$6,000,000 FY26-27
- 2) \$6,000,000 FY28-29

Changes from previous/base funding (HUTDF)

Reduces auto parts sales tax dedication for 2 years – FY28&FY29

- 1) \$27,353,000 – FY28
- 2) \$56,216,000 – FY29

Increased Funding

Greater MN Transit GF

- 1) \$7,475,000 – FY28-29

State Roads Operations – TH

- 1) \$37,087,000 – FY26-27
- 2) \$57,056,000 – FY28-29

State Roads Planning and Research – TH

- 1) \$7,252,000 – FY26-27
- 2) \$7,490,000 – FY28-29

State Roads Program Delivery – TH

- 1) \$16,319,000 – FY26-27
- 2) \$19,432,000 – FY28-29

Corridors of Commerce project readiness - TH

- 1) \$2,000,000 – FY26

State Road Construction – TH

- 1) \$491,088,000 – FY26-27
- 2) \$249,466,000 – FY28-29

Blatnik Bridge Spending Authority - TH

- 1) \$650,000,000 – FY26

Corridors of Commerce – TH

- 1) \$60,000,000 – FY26-27 (increase of \$10M from base)
- 2) \$60,000,000 – FY28-29 (increase of \$10M from base)

Local Roads – GF

- 1) \$1,000,000 – FY26-27 – Traffic calming improvements
- 2) \$250,000 – FY26 – Empowering Small Communities
- 3) \$400,000 – FY26 – Local road funding gap assistance

MnDOT Agency Management – TH

- 1) \$12,103,000 – FY26-27
- 2) \$15,694,000 – FY28-29

DPS – State Patrol – TH

- 1) \$8,075,000 – Operations/Recruitment FY26-27
- 2) \$28,662,000 – Operations/Recruitment FY28-29
- 3) \$18,761,000 – Aircraft FY26-27

*New Authorization

\$100,000,000 Trunk Highway Bonds for State Road Construction

****Does not include Governor's recommendation for spending \$97M from trunk highway fund for State Patrol Headquarters building.**

TOTAL – \$9,845,357,000 FY26-27 \$9,192,426,000 FY28-29

TOTAL GF - \$ 418,129,000 FY26-27 \$ 456,719,000 FY28-29

TOTAL TH - \$6,378,518,000 FY26-27 \$5,549,796,000 FY28-29

TOTAL CSAH \$2,252,951,000FY26-27 \$2,371,005,000 FY28-29

TOTAL MSAS \$ 570,127,000 FY26-27 \$ 592,793,000 FY28-29

TOTAL SR \$ 161,419,000 FY26-27 \$ 160,886,000 FY28-29

TOTAL AIR \$ 61,436,000 FY26-27 \$ 58,436,000 FY28-29

Policy Highlights

- Changes reserve account policy for GM transit to no more than 5% of previous year balance.
- Reallocates efficiency savings with MnDOT to Corridors of Commerce program
- Changes design and engineering standards on CSAH and MSAS projects, changes variance process; creates an Advisory Committee on Design Variances
- Creates a Local Government Road Funding Gap Assistance account in the special revenue fund.
- Requires adoption of a new Local Cost Participation Policy by March 1, 2026. Requires a draft policy be submitted to the legislature by Feb. 1, 2026. The policy must include a recommendation for legislation to have MnDOT cover the cost of utility relocation.
- The commissioner must calculate and report the asset sustainability ratio (ASR) for pavements for each fiscal year.
- Subject to available funds, the commissioner must establish a resilient pavement program to provide supplemental funding for revisions to pavement design of trunk highway projects on the basis of long-term cost effectiveness.
- Changes driver's manual to include information on work zone safety; requires testing on work zone safety for receiving a driver's license.
- Requires purpose and need statement with specific criteria before a project may enter the STIP; requires multidisciplinary project development.
- Requires MnDOT to provide certain information and change processes for the Policy Advisory Committees for the Rethinking I-94, TH55 and TH252/I-94 projects.
- Changes statutory dedication of sales tax on auto repair parts:
 - HUTDF changes from 43.5% to 36.5% in FY28 and 29.5% in FY29 then reverts back to 43.5% in FY30 and thereafter.
 - TAA dedication schedule does not change – increases each year until full dedication (56.5%) in FY33.
- Authorizes the Met Council to contract directly with small targeted group businesses.
- Authorizes the Met Council to loan up to \$250M to MnDOT to advance and coordinate highway construction with one major transitway project.
- Requires a study of charging TNCs for on-demand rides in wheelchair accessible vehicles.
- Establishes a program for financial assistance to eligible entities adversely impacted by street, highway, or transitway construction activity on covered projects.

A transportation authority must implement a construction communication plan for each project in which a business liaison is required.

- "Highway purposes" includes but is not limited to:
 - (1) construction, improvement, maintenance, and operations of a highway;
 - (2) multimodal infrastructure within a highway right-of-way related to any of the following: (i) transit; (ii) active transportation; and (iii) reduction of greenhouse gas emissions; and 1.15 1.16
 - (3) activities directly related to, or necessary to administer or support, the purposes specified in clauses (1) and (2). 1.18

"Trunk highway purposes" includes but is not limited to highway purposes for the trunk highway system.

- Increases EV fee from \$75 annually to \$200. Imposes a plug-in hybrid electric vehicle fee of \$100 annually. Imposes an all-electric motorcycle fee of \$40 annually. Indexes the fee so it is adjusted along with the gasoline excise tax rate.